

# Deferred payments

What do I need to know?

April 2024



Easy  
Read



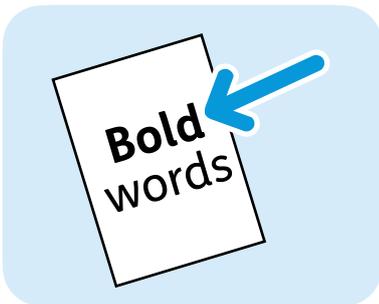
# Easy Read



This is an Easy Read version of some information. It may not include all of the information but will tell you about the important parts.



This Easy Read booklet uses easier words and pictures than the original information. You may still want help to read it.



Some words are in **bold** - this means the writing is thicker and darker.



These are words that some people will find hard. When you see a bold word, we will explain it in the next sentence.

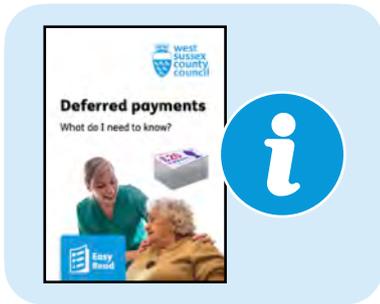


Blue and underlined words show links to websites and email addresses. You can click on these links on a computer.

# What is in this booklet

About this booklet .....	4
What is a deferred payment agreement?.....	6
How do deferred payments work?.....	9
Who can have deferred payments? .....	12
How do I get deferred payments?.....	17
Other information .....	26
Find out more .....	30

# About this booklet



This is information from West Sussex County Council about **deferred payments**.



A **deferred payment** is a loan from us to pay some of the money for your care to a care home.



Deferred payments let you keep your home until you want to sell your home or until you die.



This booklet will tell you more about deferred payments so you can decide if they are right for you.



When we talk about amounts of money in the booklet, they are the right amounts until April 2025.



West Sussex County Council thinks equality and making sure everyone is treated fairly is very important.



We respect the people we support, our staff and the organisations we work with.

We want to work in a way that is fair to everyone.



We want the people we support to treat our staff with respect.

# What is a deferred payment agreement?



A deferred payment agreement is a legal agreement between you and us, West Sussex County Council.



It tells you what you need to do by law.



It lets you use the amount that your home is worth to pay for the cost of your **residential care**.



**Residential care** is when you live in a place that also cares for you, like a care home.



Deferred payments will suit some people better than others.



Deferred payments are only 1 way that you can pay for your care.

If you are thinking about using deferred payments to pay for your care, you should:



- Get advice about your money.



- Make sure it is the best choice for you.



You can see information about getting advice on page 27.

# Good reasons to use deferred payments

There are some good reasons to use deferred payments to pay for your care:



- You will not have to sell your home while you are alive to pay for your care if you do not want to.



- You could use the amount that your home is worth to pay for more expensive care than we have said that you need.



- If someone else already pays extra money towards your care, you could add this to the deferred payments.



This means they would not have to pay the extra money towards your care anymore.

# How do deferred payments work?



When you make a deferred payment agreement with us, it means you are borrowing money from us.



The money is paid back when your home is sold.



You do not have to sell your home if you can repay the money in a different way.



You will still have to pay the weekly amount towards the cost of your care that we think you can afford.



We will decide how much we think you can afford based on your situation. This is called an assessment.



Any costs of your care that you cannot afford right now can be paid for with deferred payments.



The amount that you can borrow to pay for your care depends on how much your home is worth.



We will only pay up to the amount we have agreed to meet your needs.



If you, or someone else, has been paying extra money for more expensive care, the payments need to continue.



If they don't, you may have to move to different residential care.



If you rent out your home while you are using deferred payments, we expect you to use any rent money you get to pay for your care.

# Who can have deferred payments?

To get a deferred payment agreement, you must:



- Have had an assessment to say you need residential care.



- Be living or going to live in a care home or nursing home all the time.



- Own or partly own your home.



- Have less than £23,250 saved up.



You must also be able to agree to get a deferred payment yourself, or have someone who the law says can agree for you.



We will need to think about if anyone else owns part of your home, like another person or a bank.



They will need to agree to you having deferred payments too.



We will do an assessment of how much you need to pay towards the cost of your care.

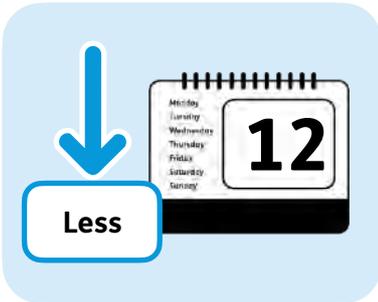


We will need to include how much your home is worth in our assessment.



Without us including your home in our assessment, you cannot arrange a deferred payment agreement.

We will not count how much your home is worth towards how much you can pay if:



- You have lived in a care home for less than 12 weeks and it is the only place that you live in.



- You are only staying in a care home for a short time.

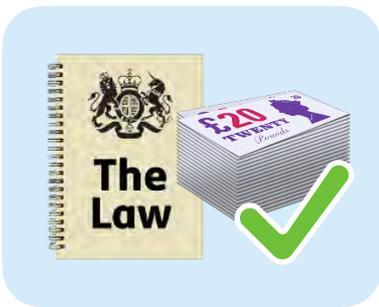


- Someone is living in your home who is at least one of these things:
  - Your partner.
  - A child under 18.
  - A family member who is over 60 or disabled.



- You are getting care in your own home instead of living in a care home.

## Keeping some of your money to live on



The law says that you can keep some of your money to live on.

This is called a Disposable Income Allowance.

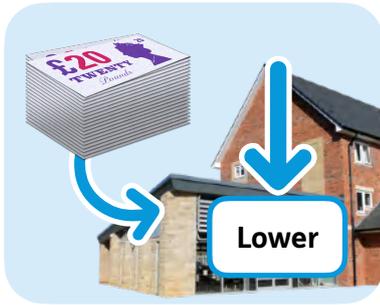


The Disposable Income Allowance is up to £144 a week which you can keep to pay for things like house insurance, looking after your home and other weekly needs.



You can choose to keep less than £144 and pay more towards your care if you want to.

This would mean that:



- You need lower deferred payments.



- You pay less interest - this is the amount of money you pay to borrow money from someone else.

You should not use the Disposable Income Allowance to:



- Pay more for the weekly cost of your care home.



- Pay for services that the care home should pay for, like activities or meals.



Your savings must stay below £23,250 for the deferred payment agreement to carry on.

# How do I get deferred payments?

To get a deferred payment agreement you need to:



- Make sure your home is registered with the Land Registry - this is a government list of who owns land or homes in the UK.



- Get the written agreement of anyone else who owns part of your home.

This might be a bank, a company or a person.



- Have someone who is going to look after your home and check if any work needs doing to it.

To get a deferred payment agreement you also need to:



- Make sure that you still have **home insurance**.



**Home insurance** is protection for when something goes wrong. You pay money to an insurance company and they pay out if your home is damaged and needs to be fixed.



If you cannot get home insurance you will not be able to get a deferred payment agreement.



- Pay the amount towards the cost of your care that we think you can afford.

# Costs of deferred payments



We will charge a fee to make and organise the deferred payment agreement.

This is to cover the costs we need to pay to set up the agreement.



You will need to pay us £670.00 when you ask us for a deferred payment agreement.



You will also need to pay £10.00 a week to keep the agreement going.



You may have to pay £326.00 to check how much your home is worth.



We will write to you about these charges if you want to have a deferred payment agreement.

# Paying interest on the money you borrow



**Interest** is the amount of money you pay to borrow money from someone else.



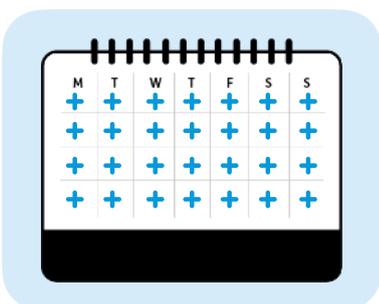
We will charge interest that is the same as every other council in the country.



This charge can go up or down every 6 months.



The interest we charge at the moment is 4.65%. This may change on 1 July 2024.



We work out the interest and add it to the loan every day.



The interest is only paid when you sell your home to pay back the money.



You will receive statements every six months.



These will tell you how we work out your interest and the amount left to pay on your deferred payment account.

## Starting a deferred payment agreement



If you decide to start a deferred payment agreement, you will sign a legal agreement with us.

The legal agreement will say:



- What you need to do.



- What we need to do.

To find out more about starting a deferred payment agreement, you can:



- Speak to your social care worker.



- Contact our Adults' CarePoint using the details on page 30.

# Ending an agreement



You, or someone who can decide for you, can pay off the loan and end the agreement at any time.



You may decide to sell your home and pay off the loan.

If you do not end the agreement, it will end when you die and the money will be paid back from the sale of your home.



The loan will need to be paid back from the sale of your home within 90 days.



After you die, interest will continue to build up on the deferred payment until the loan is paid off.

We may end the agreement if:



- The amount of money that you owe means you can get support from the council.



- You do not need to live in a care home anymore.



- You do not keep doing the things you agreed to in the agreement.

- Your home is no longer counted towards how much money you have. This might happen if:



- Your partner or family member moves into your home after the agreement has started.



- The person who was living in your home becomes someone who depends on you.



We will tell you at least 30 days before the deferred payments stop.



If the deferred payments stop for any of these reasons, you will still need to pay the interest on the money you already borrowed from us.



Your social care worker or another member of staff can explain this to you in more detail.

# Other information

## Other choices you have



You do not have to use deferred payments.

There might be other ways to pay for your care without selling your home, like:



- Renting out your home. This might give you enough money to pay for your care.



- Taking money from how much your house is worth through a bank or another company. This is called equity release.



- Buying care plans or insurance plans that pay for your care.



You may also be able to pay for care from other money you have, or a family member paying for some or all of your care.

## Advice



We strongly recommend that you get independent financial advice before you decide whether a deferred payment agreement is right for you.



You can get advice about paying for your care from Carewise.

You can of course get advice from other financial advisers if you prefer.

You can contact Carewise by:



- Website:  
[www.carewiseadvice.com](http://www.carewiseadvice.com)
- Phone: 0330 222 7000
- Textphone using Relay UK:  
18001 0330 222 7000



You can find out more about residential care in our leaflet 'Choosing and paying towards care in a residential or nursing home'.

You can contact Adults' CarePoint and ask for a printed copy of the leaflet by:



- Post:  
Second Floor  
The Grange  
County Hall  
Chichester  
West Sussex  
PO19 1RG



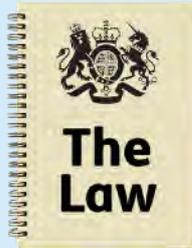
- Phone: 01243 642 121



- Calling using Relay UK:  
18001 01243 642 121 (helps people with speech and hearing difficulties).



This information about deferred payments is just a guide.



It does not replace independent legal and financial advice or the law.



You can get information for your situation from a social care worker.



Please contact Adults' CarePoint for more information.

# Find out more



You can look at our website here:

[www.westsussex.gov.uk/social-care-and-health](http://www.westsussex.gov.uk/social-care-and-health)

## You can contact us by:



Filling in the online 'Contact us' form on the 'How to get adult social care support' section of our website, here:

[www.westsussex.gov.uk/social-care-and-health/social-care-support/adults/how-to-get-adult-social-care-support/#contact-us](http://www.westsussex.gov.uk/social-care-and-health/social-care-support/adults/how-to-get-adult-social-care-support/#contact-us)



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WS33381 04.24